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SUBJECT: RUSSIA: MIXED REVIEWS ON NATIONAL HEALTH PROJECT

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11. (SBU) SUMMARY: With the project's three main components: improving primary care by raising health sector salaries and purchasing new equipment and ambulances; strengthening prevention and treatment for infectious diseases; and making high-tech health care more widely available. A separate program was also launched to improve care during pregnancy, labor, and delivery. The overall funding for the project was 96.8 billion rubles (\$3.7 billion) in 2006.

Raising Salaries for Doctors and Nurses

13. (U) In 2006, several thousand primary care doctors and pediatricians received additional training and 680,000 health care providers (one third of all health care workers) received significant salary increases. Average salaries in the health sector increased from 5,300 rubles (\$204) per month before the project was launched to 8,590 rubles (\$330). The monthly salary for primary care doctors and for pediatricians is now 14,000-23,000 rubles (\$538-885), while nurses earn 7,500-15,000 rubles (\$288-577) per month. Emergency medical workers and licensed practical nurses also received raises.

14. (U) The number of primary care doctors has increased from 66,900 to 73,400, though some growth occurred because specialist physicians moved to higher paying primary care jobs. There has also been an influx of young doctors and nurses to the primary care sector, reducing the share of primary care doctors who have reached retirement age from 30 percent to 20 percent. The number of nurses in primary care increased from 74,900 to 81,900, and the share of retirement age nurses declined from 25 percent to 13 percent.

Buying Equipment and Ambulances

15. (U) The project also sought to improve primary care by purchasing new diagnostic equipment and ambulances. By 2006, 65 percent of Russian ambulances were beyond their intended useful life or were not functioning. Some 22,652 pieces of equipment were purchased in 2006 (54 percent from local manufacturers and 46 percent from

foreign firms). Many health care facilities in remote rural areas received ultrasound and endoscopic equipment for the first time. Some 6,722 ambulances and 93 emergency resuscitation vehicles were purchased, which comprises about one third of Russia's entire ambulance fleet. (NOTE: Few emergency vehicles are equipped with resuscitation and oxygen equipment, and ambulances are often simply station wagons used to transport patients to hospitals. END NOTE)

#### An Ounce of Prevention and Treatment

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¶6. (SBU) The project's main prevention and treatment activities included therapy for people living with HIV/AIDS or hepatitis; vaccination programs; and physical examinations of the working age population (age 35-55). Nearly 15,000 people were receiving antiretroviral therapy by the end of 2006, though about 1,000 later stopped treatment. Nearly 5,000 HIV-positive pregnant women received preventive treatment, as did 3,465 babies born to HIV-positive mothers. Other HIV/AIDS prevention activities, such as AIDS messages in schools and to the young, were a low priority and received comparatively little funding from the government in 2006.

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¶7. (U) More than four million children received vaccinations against rubella; more than nine million young people were vaccinated against hepatitis B; 22 million people received seasonal flu vaccinations; and 118,800 people were vaccinated against polio. Some 6.7 million people aged 35-55 (seven percent of the working age population) underwent physical examinations, which revealed 46,000 new cases of diabetes, 6,700 cases of cancer, and 670 cases of tuberculosis. The government also spent 10.5 billion rubles (\$404 million) improving prenatal, labor, and delivery services through equipment upgrades and salary increases for staff.

#### Investing in High-Tech Health Care

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¶8. (U) High-tech health care was provided to 128,000 patients at a cost of 8.4 billion rubles (\$323 million), including a 36 percent increase in funding for organ transplants and cardiovascular surgery. The government's definition of "high-tech care" includes organ transplants, brain surgery, cardiovascular surgery, and cancer treatments. Construction of seven new high-tech medical centers was started. Four of the new centers will specialize in cardiovascular surgery, two in trauma, and one in neurosurgery.

#### What to Expect in 2007

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¶9. (U) In 2007 the GOR plans to spend 127.3 billion rubles (\$4.9 billion) on the health project, with similar levels of funding promised in 2008 and 2009. The GOR hopes to reduce preventable deaths from car accidents, poisonings, and cardiovascular diseases. Twice as much money as in 2006, 17.5 billion rubles (\$673 million) will be spent on high-tech medicine and the construction of high-tech medical centers. The GOR will also continue buying more medical equipment, another 6,060 ambulances, and 380 vehicles with neonatal resuscitation equipment, with the goal of reducing the average ambulance waiting time to 20 minutes. Vaccinations and therapies for infectious diseases will also continue. In 19 pilot regions, the government will also streamline health care financing and salary payments.

#### Politicians Sing the Project's Praises

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¶10. (U) Russia's top political leaders, including President Putin and First Deputy Prime Minister Medvedev (tasked with overseeing the national projects), say the national health project has already begun improving the lives of ordinary Russians. They note that 2006 demographic data show improvements in both mortality and fertility for the first time in seven years. There were 138,000 fewer deaths in 2006 than in 2005, a six percent decline, and the adult mortality picture improved for all causes of deaths. The birth rate improved by a modest one percent, and the infant mortality rate improved by

seven percent. Political leaders make much of the fact that these positive trends continued in early 2007, with a 9.5 percent reduction in mortality and 8.5 percent increase in the birth rate. They also point to other achievements, including reduced waiting times for diagnostic test results from ten to seven days, and a reduction in the average waiting time for an ambulance from 35 to 25 minutes. In the case of infectious diseases, hepatitis B cases declined by 17 percent, while cases of rubella remained stable.

#### Corruption Remains a Systemic Problem

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**¶11.** (SBU) Even with salary increases, average health sector paychecks remain too low to allow a decent living, prompting doctors and nurses to seek bribes. According to government studies, the level of fraud and waste in government procurement under the health project is somewhat higher (1.3 percent) than for the other four national projects (in agriculture, education, and housing). While this is officially considered to be consistent with the general level of fraud and abuse for government contracts, the actual level is undoubtedly much higher. Georgiy Satarov, the head of the anti-corruption NGO INDEM Foundation, stated at a corruption conference in April that as many as 20 million Russians do not seek medical care, because they can no longer afford the routine bribes needed to obtain medical services.

**¶12.** (SBU) The National project's focus on equipment purchases has also led to opportunities for corruption both at the regional and federal level. The head of the regional Department of Health and Social Development in Amurskaya Oblast (in the Russian Far East) was

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arrested in April for supplying old medical equipment to local hospitals at inflated prices, though she was supposed to be acquiring new equipment. At the federal level, businesses owned by or connected to Health Ministry officials are also likely benefiting financially from the project. It's no secret that Health Minister Zurabov's wife, Yuliya, owns medical equipment supplier Octopus, which reportedly controls one fifth of all the equipment purchases under the national health project.

#### COMMENT: REVERSING THE LEGACY OF UNDERFUNDING

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**¶13.** (SBU) Russia's health care system was chronically under-funded for far too long, and as Duma Deputy Health Committee Chairman Gerasimenko has said, the government is now making up for lost time and years of neglect. First Deputy Prime Minister Medvedev has rightly characterized the government's spending in the sector in 2006 as "unprecedented," but, after years of neglect, it is still not clear how quickly Russia will catch up with the quality of care in much of the rest of Central and Eastern Europe. Even counting the national health project, Russia is still spending less than three percent of GDP on health, though some would argue that the GDP denominator in this figure is distorted, because of Russia's oil and gas revenues. Some other countries in the region invested more in health care since the collapse of the Soviet Union and Warsaw Pact, and are now reaping the benefits. The Czech Republic in the early 1990s began modernizing medical care and investing in hospital infrastructure and medical equipment. This has translated into a significant decline in the prevalence of cardiovascular diseases, lower mortality, and longer life expectancies among the Czech citizenry.

**¶14.** (SBU) Popular expectations that increased salaries in primary care would lead to better services have not been met. Problems with health care were identified as one of the chief sources of complaints from citizens in the annual report released at the beginning of April by Russia's Human Rights Ombudsman, Vladimir Lukin. Access to high-tech health care still remains limited and probably satisfies no more than 15-20 percent of the demand, according to most experts.

**¶15.** (SBU) Many health policy experts believe the project lacks a comprehensive strategy and is more of a smorgasbord of equipment purchases and budgetary pork. Some argue the project is not

devoting nearly enough resources to remedying three critical problems: inequities in access to health care, the overall poor quality of health services, and the low level of infectious disease prevention activities. They also note other systemic issues that have yet to be addressed: the lack of standards of treatment, and the absence of economic and financial independence of health care facilities.

¶16. (SBU) Demographics experts have been skeptical of political leaders' claims that 2006 and 2007 improvements in Russia's mortality and fertility statistics resulted from the health project.

Instead, they believe the project could lead to long-term improvements in the demographics picture only if the increased funding for health care is sustained over several years. Regardless of the critics, with First Deputy PM and likely presidential candidate Medvedev tasked with overseeing the national projects, the success of the health project will continue to be in the spotlight in the run-up to the Duma and Presidential Elections.

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